

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY	Rumania	REPORT		25X1
SUBJECT	Political Atmosphere in Rumania	DATE DISTR.	25 January 1955	
		NO. OF PAGES	2	
DATE OF INFO.		REQUIREMENT NO.	RD	25X1
PLACE ACQUIRED		REFERENCES		

This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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 (FOR KEY SEE REVERSE)

1. The keynote of the present situation in Rumania is confusion, caused not only by the poor economic situation but also by the problems raised by the possibility of the ratification of the Paris and London agreements. The unity of purpose shown by the United States, England and France has caused consternation among the Russians. 25X1
2. At the recent Moscow Conference, Chivu Stoica, First Vice President of the Rumanian Council of Ministers, was instructed that if the Paris agreement was ratified, Rumania was to rearm and prepare for war. However, this appears unlikely in view of Rumania's poor economic situation.
3. Russia and her Eastern European satellites have set up an organization similar to NATO, headed by Zhukov and Vasilevsky. Under this arrangement, Rumanian troops will be trained in Russia and Soviet troops will be trained in Rumania. It is not known whether the present number of Soviet troops in Rumania will be increased. Two hundred thousand (sic) tons of wheat, and other products, have already been sent from Russia for their troops in Rumania.
4. On the recent visit to China of Petru Groza, President of the Rumanian Presidium, he prolonged his trip to travel extensively throughout the country. He was well-liked there and made a good impression. According to Groza, the Chinese communists are inclined toward "Titoism" and, for that matter, so are all the other satellites. The Rumanians are envious of the progress which Yugoslavia has made under Tito and of the prosperity which they apparently enjoy.
5. Mihai Ralea, former Minister to the United States, and Ghelmetianu¹ will soon be appointed to powerful positions in the Rumanian government. Both are trusted "Moscow men" and both are former members of the left-wing faction of the Peasant Party. They are now in the "entourage" of Groza.

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Rumors are constantly heard that there has been a split in the government involving Gheorghiu-Dej, Moghioros and Chisinevski but they mean nothing more than the constant jockeying for position among the top men. However, when Ralea and Ghelmetianu are appointed to government posts, Gheorghiu-Dej will take a "back seat". He is not considered to be persona non grata and possibly will be used again at a future date.

6. The Sovroms have been operating at a deficit and it was partly on account of this and partly for the propaganda value of the move that they were dissolved. The propaganda value was that it gave the impression that the Soviets were relinquishing control over Rumania. Such is not the case and the Soviets are now taking more out of Rumania than before the dissolution of the Sovroms. Sovrompetrol and Sovromquartz have also been dissolved.
7. New important oil producing fields have been located around Gaesti and Moisesti. Oil production this year will be between 11 and 11.3 million tons. The corn crop has been excellent this year but the wheat crop has been below average.
8. There are rumors that the Securitate is now under the Ministry of Justice. Although this is probably not the case at the present time, it is possible that this move might take place at a later date. The Securitate has been losing power steadily since about January 1954 and it can no longer dictate to ministries such as the Foreign Office and the Ministry of Justice.

Comment: Ghelmetianu may be identical to Mihail Ghelmegeanu, sometimes spelled Ghelmezeanu, a former National Peasant Party member who abandoned the party in 1939 to support Carol's dictatorship. After the coup d'etat of 23 August 1944, he and several of his friends tried to form an independent party under Mihai Ralea which was to be called the "Social Peasant Party." Failing in this effort, Ghelmegeanu joined Petru Groza's "Ploughmen's Front." He was later appointed to replace Radulescu as President of the Rumanian Commission for the execution of the armistice.

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